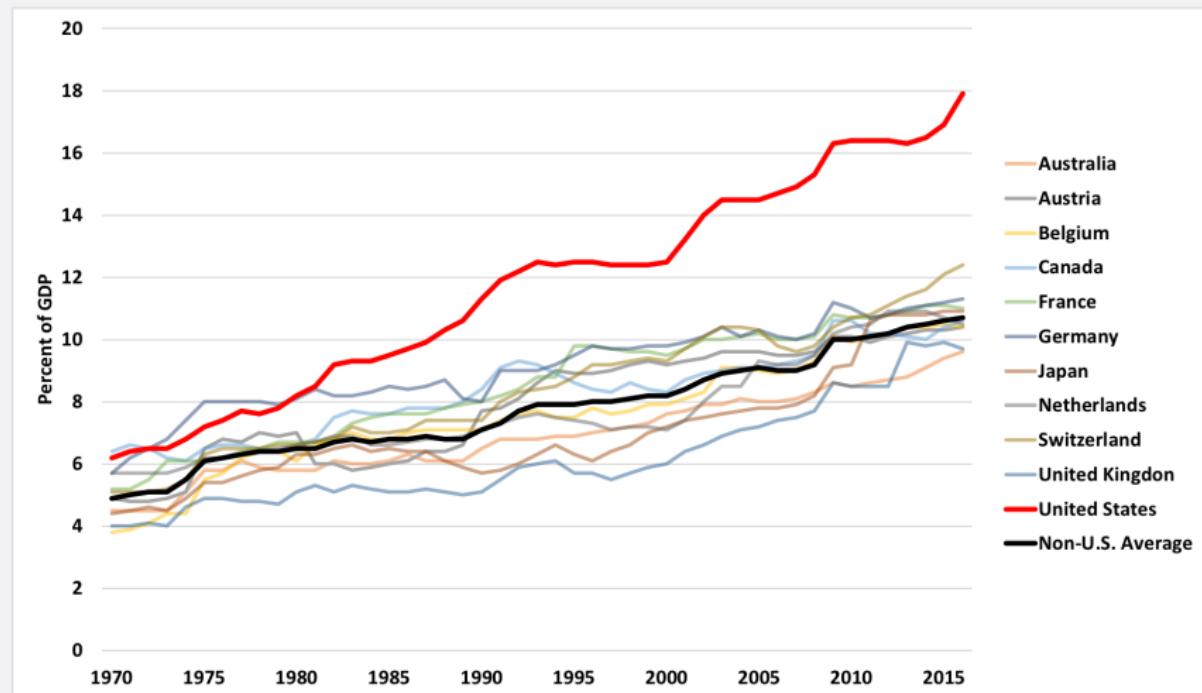


# U.S. Health Policy Landscape

January 18, 2024

## International Spending Comparison

- Total Health Expenditures as a Percent of GDP, 1970-2016



Source: OECD Health Statistics, 2017

# International Spending Comparison

TheUpshot

THE NEW HEALTH CARE

## *Medical Mystery: Something Happened to U.S. Health Spending After 1980*

The spending began soaring beyond that of other advanced nations, but without the same benefits in life expectancy.



By Austin Frakt

May 14, 2018

Mr. Starr suggests that the high inflation of the late 1970s contributed to growth in health care spending, which other countries had more systems in place to control. Likewise, Mr. Cutler points to related economic events before 1980 as contributing factors. The oil price shocks of the 1970s hurt economic growth, straining countries' ability to afford health care. "Thus, all across the world, one sees constraints on payment, technology, etc., in the 1970s and 1980s," he said. The United States is not different in kind, only degree; our constraints were weaker.

## International Spending Comparison

- Compared to other developed countries, the U.S. spends a disproportionate share of national income on health care. Is this a good thing or a bad thing?

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- Depends on:

## International Spending Comparison

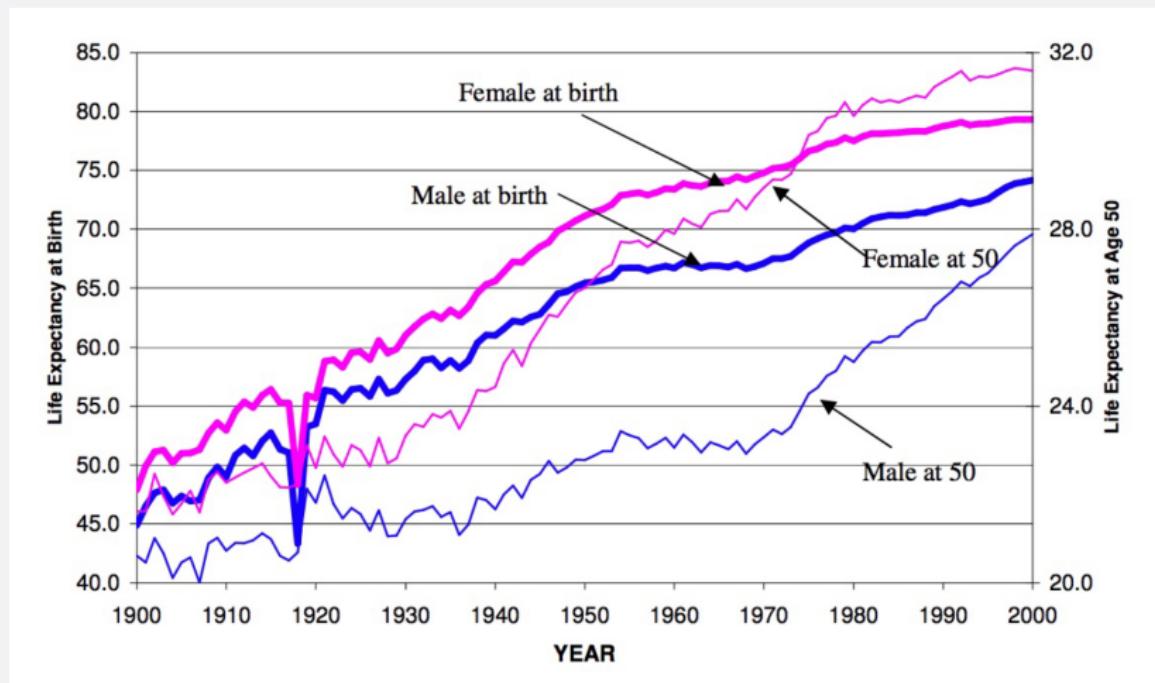
- Compared to other developed countries, the U.S. spends a disproportionate share of national income on health care. Is this a good thing or a bad thing?
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  1. Our values (e.g., education vs. health)

## International Spending Comparison

- Compared to other developed countries, the U.S. spends a disproportionate share of national income on health care. Is this a good thing or a bad thing?
- Depends on:
  1. Our values (e.g., education vs. health)
  2. The return on investment

## Returns to Spending

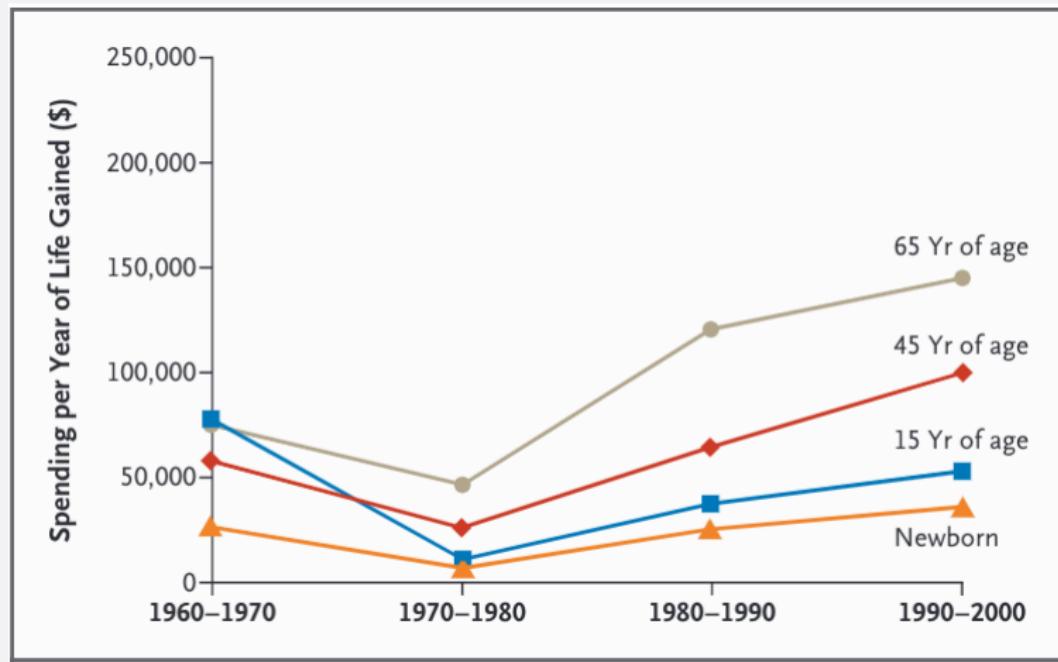
- Changes in U.S. Life Expectancy Over the 20th Century



Source: Murphy and Topel, 2006

## Returns to Spending

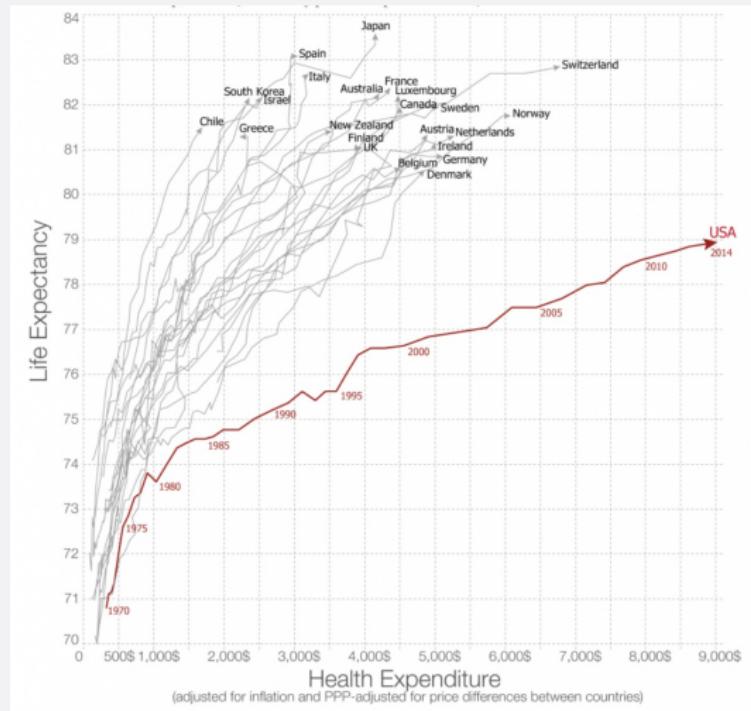
- Trends in The Costs per Year of Life Gained



Source: Cutler et al., 2006

## Returns to Spending

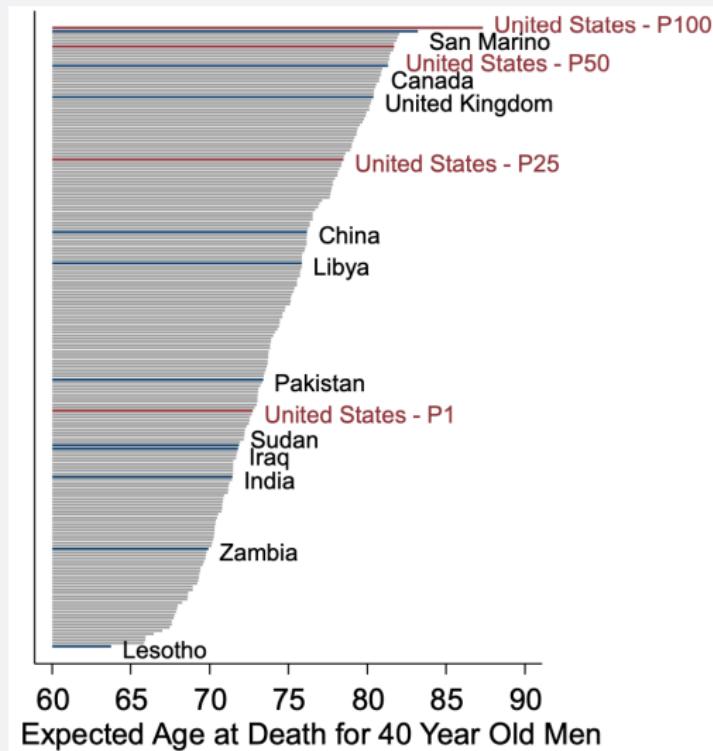
- Health Spending and Life Expectancy at Birth, 1970-2014



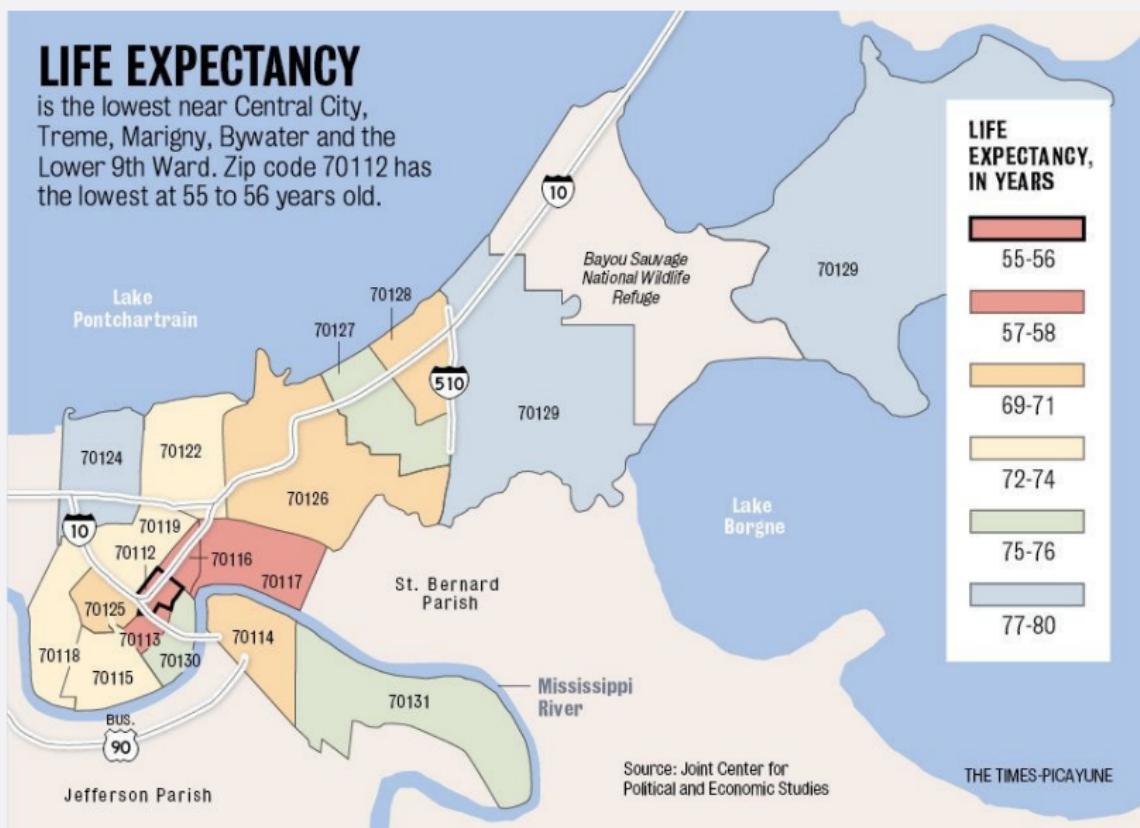
Source: *OECD Health Statistics, 2017*

## Returns to Spending

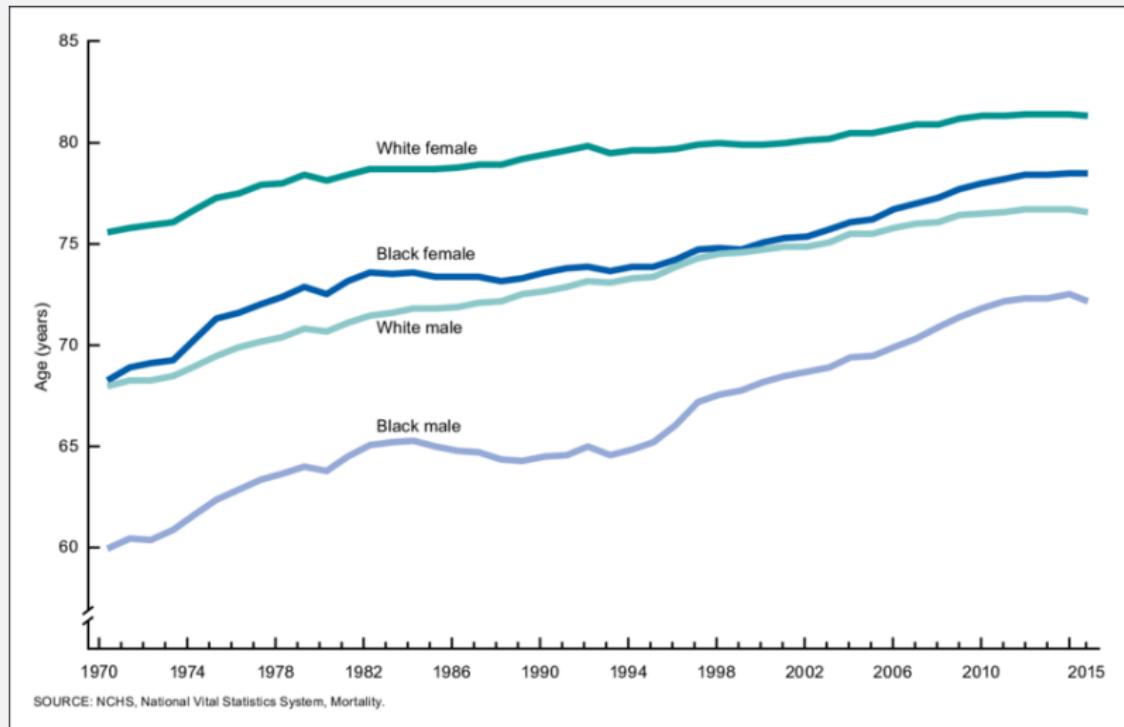
- U.S. Life Expectancies by Income Compared to Mean Life Expectancies Across Countries



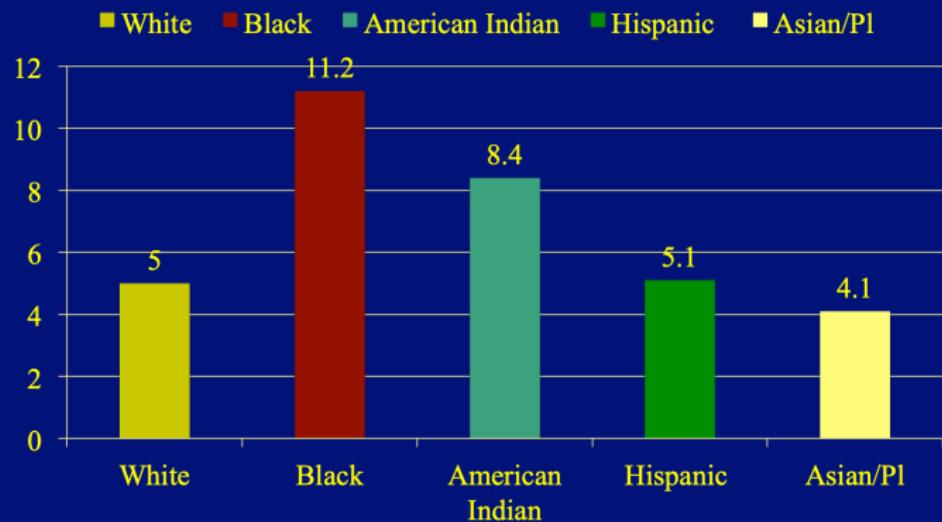
# Returns to Spending - Life Expectancy in NOLA



## Returns to Spending - Life Expectancy by Race and Sex

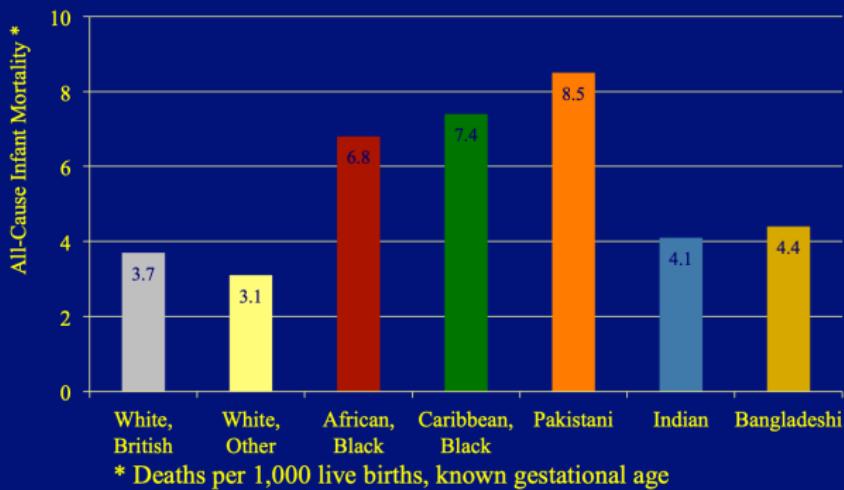


# Infant Mortality in the U.S., 2012



Health United States, NCHS, 2014,

### Infant Mortality by Ethnicity in England and Wales, 2011



Office for National Statistics, 2013: <http://webarchive.nationalarchives.gov.uk/20160105160709/>  
[http://www.ons.gov.uk/ons/dcp171778\\_329137.pdf](http://www.ons.gov.uk/ons/dcp171778_329137.pdf)

## Where Racial Inequities in SES are Born

*Large Racial/Ethnic Differences in SES that  
are consequential for life:*

- *They are not acts of God*
- *They are not random events*
- *They reflect successful implementation of  
social policies*

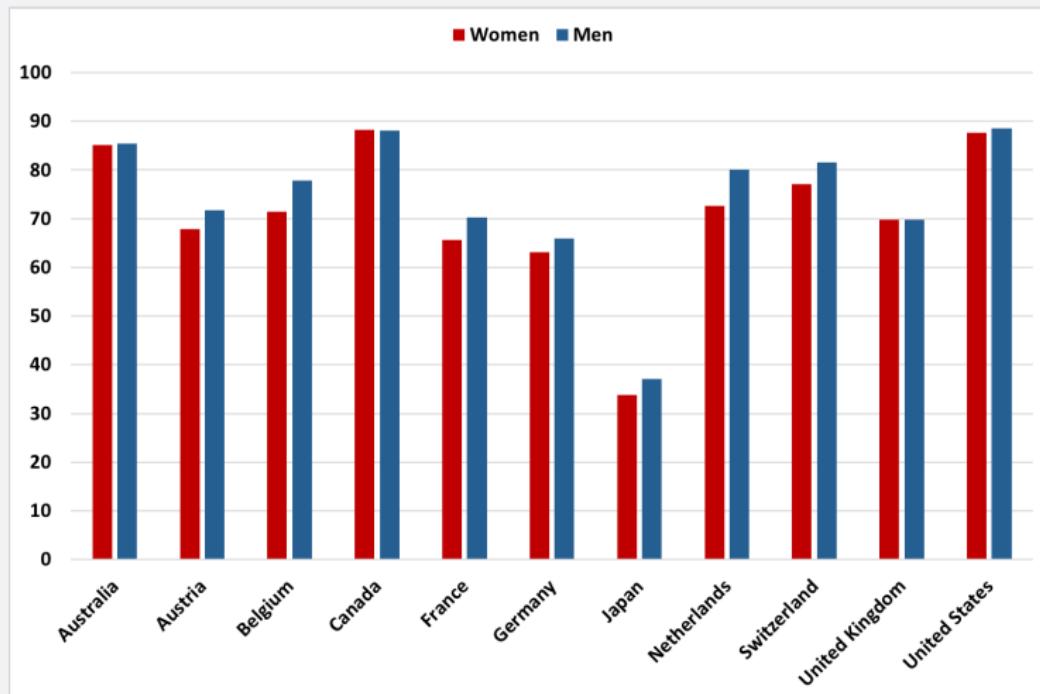
Racism has produced a truly “rigged system”

## Health Spending

- What explains the high level of health care spending in the U.S.?

## Health Spending - Population Health

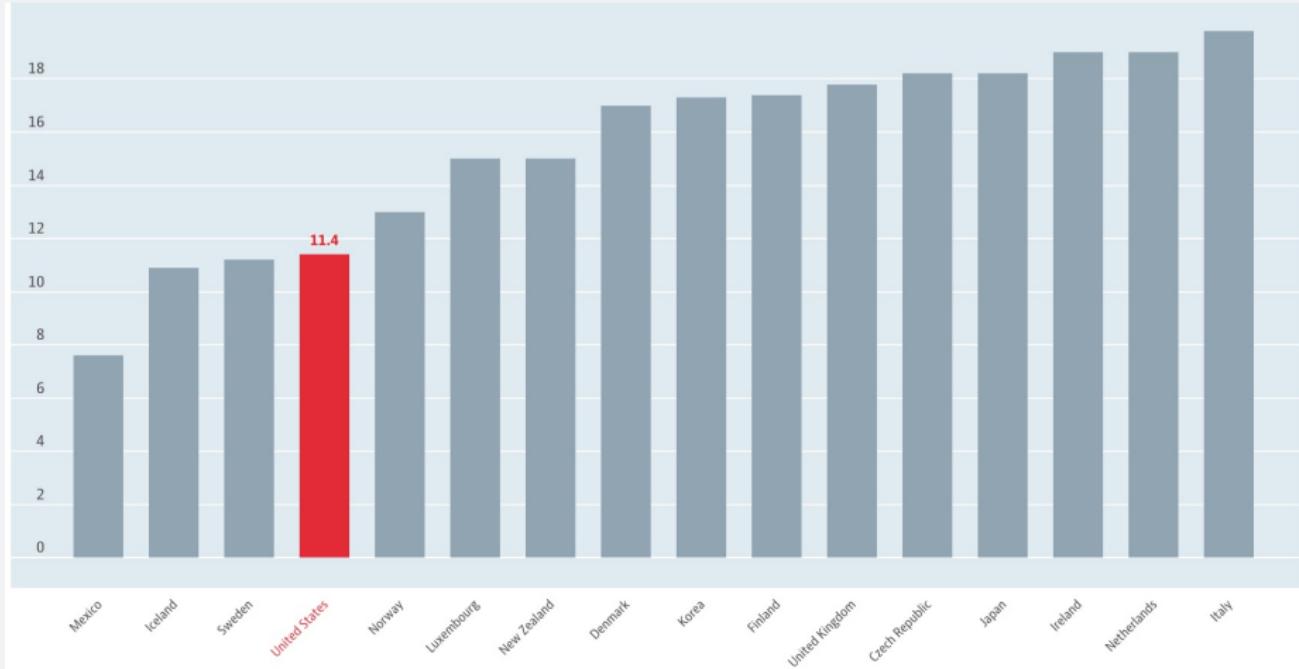
- Share of Population in Good or Very Good Health, 2015



Source: OECD Health Statistics, 2017

## Health Spending - Health Behaviors

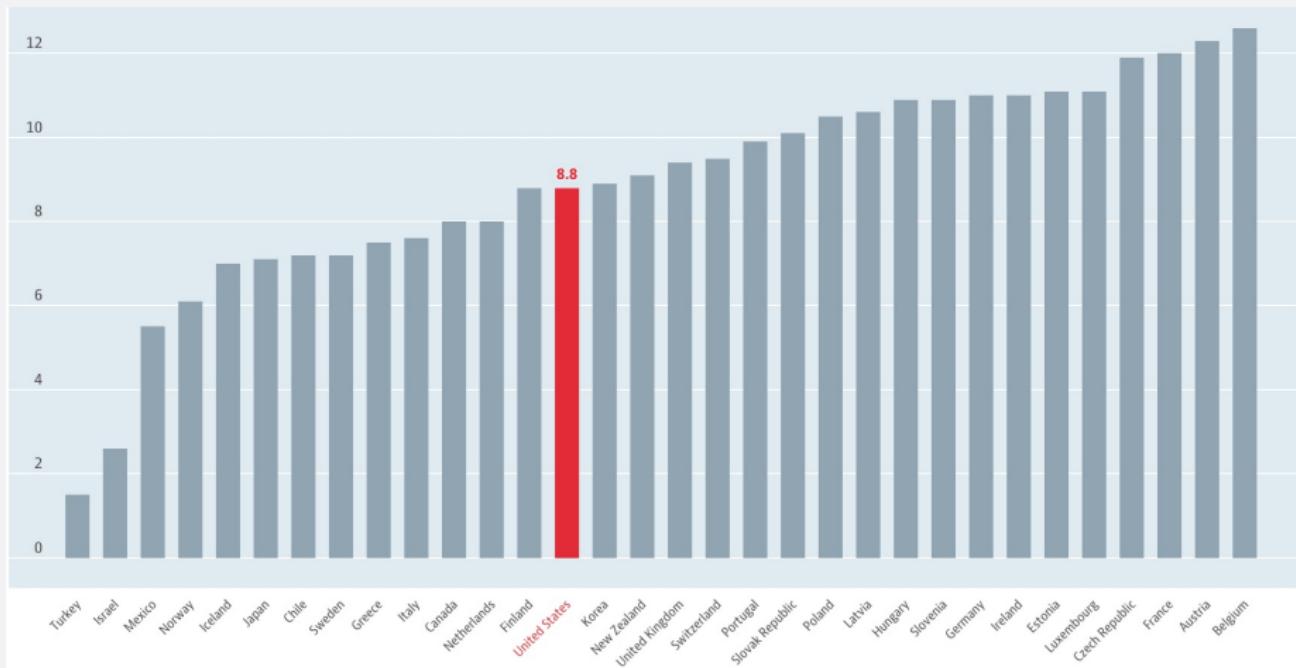
- Share of Population Age 15 or Older Who Smoke Daily, 2015



Source: OECD Health Statistics, 2017

## Health Spending - Health Behaviors

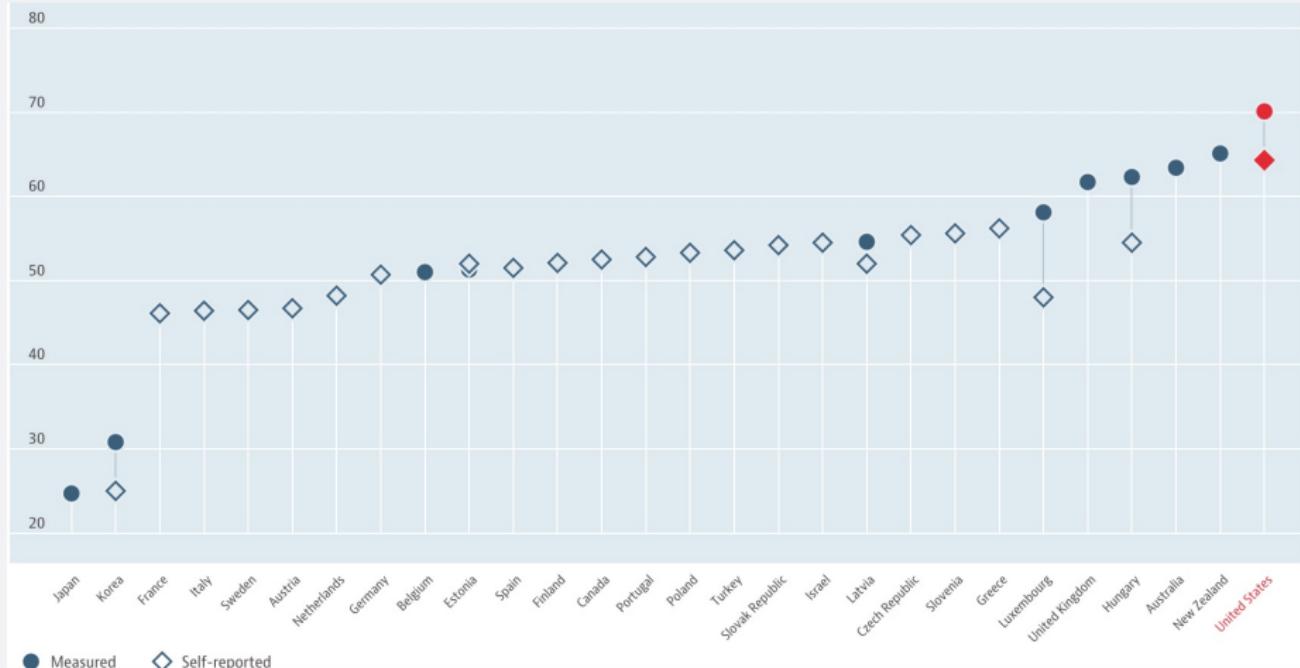
- Average Annual Liters of Alcohol Consumed Age 15 or Older, 2014



Source: OECD Health Statistics, 2017

## Health Spending - Health Behaviors

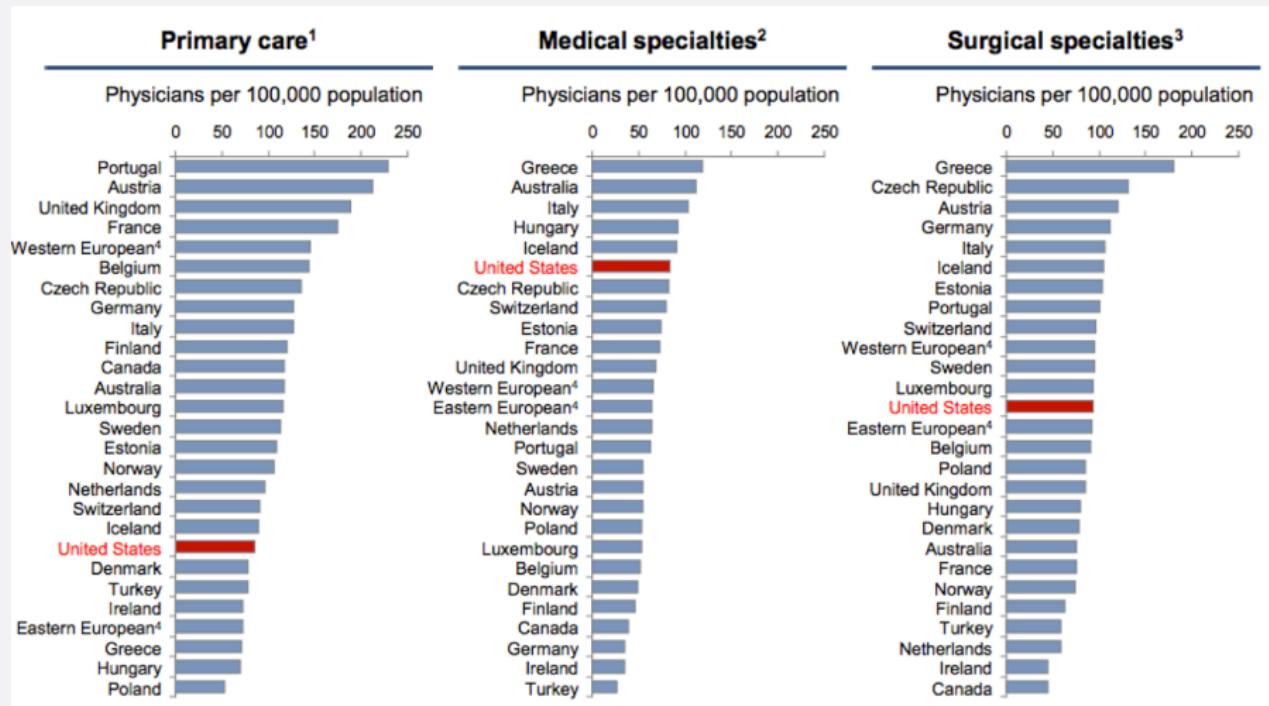
- Share of Population Age 15 or Older Obese/Overweight, 2014



Source: OECD Health Statistics, 2017

# Health Spending - Health Care Inputs

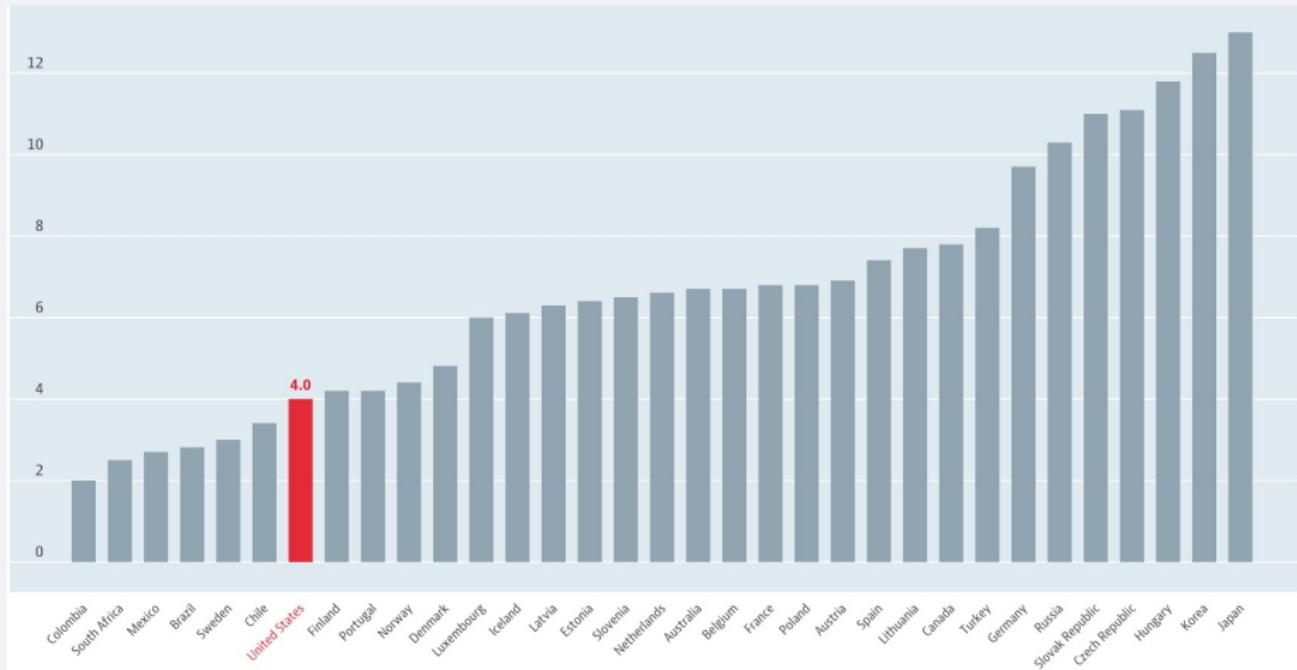
- Supply of Physicians, 2015



Source: OECD Health Statistics, 2017

## Health Spending - Health Care Use

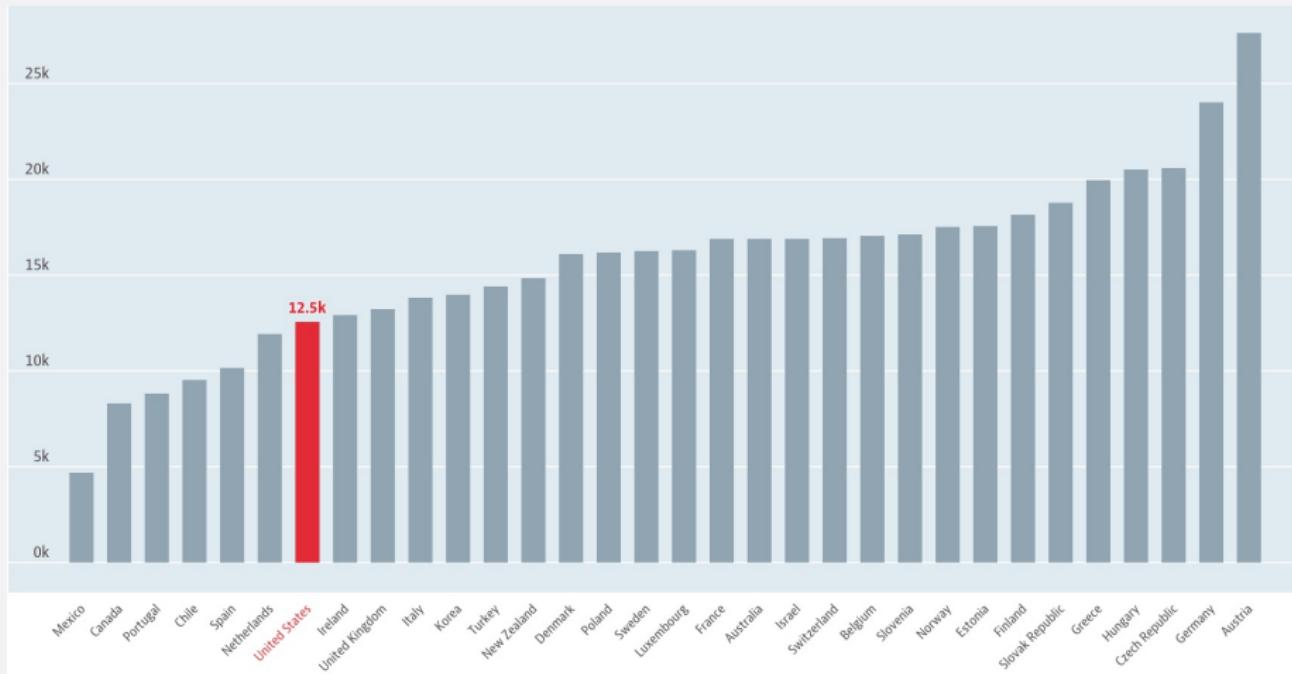
- Annual Number of Doctor Visits Per Capita, 2011



Source: OECD Health Statistics, 2017

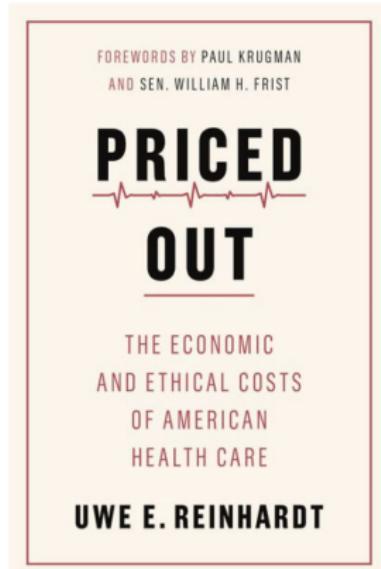
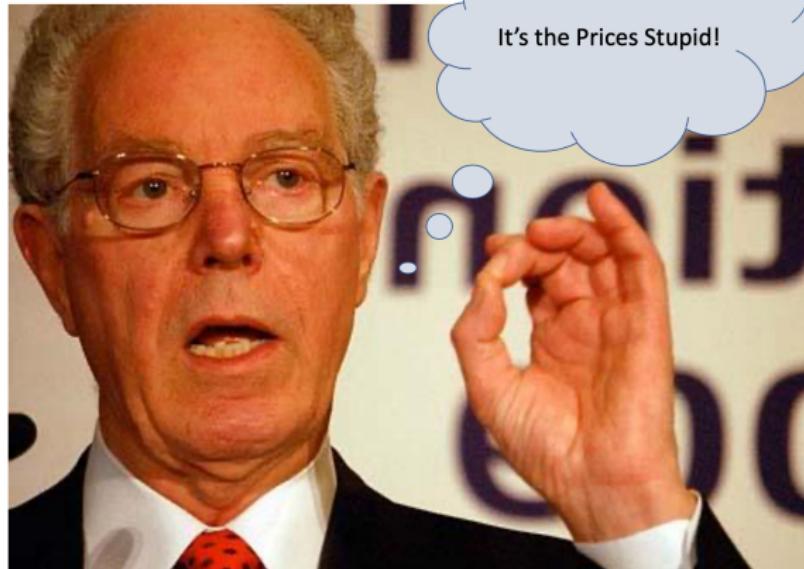
## Health Spending - Health Care Use

- Hospital Discharges Per 100,000 Population, 2010



Source: OECD Health Statistics, 2017

## Health Spending - Prices



## Prices

- Average Price Paid for Cataract Removal, 2015



Source: International Federation of Health Plans 2015 Comparative Report

## Prices

- Average Price Paid for a C-Section Delivery, 2015



Source: International Federation of Health Plans 2015 Comparative Report

## Prices

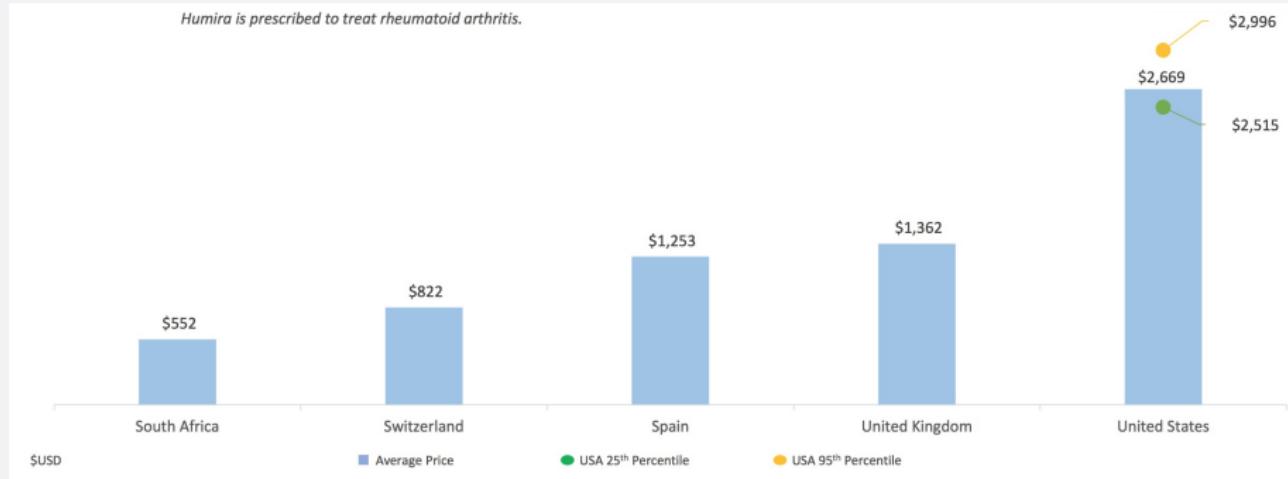
- Average Price Paid for a Knee Replacement, 2015



Source: International Federation of Health Plans 2015 Comparative Report

## Prices

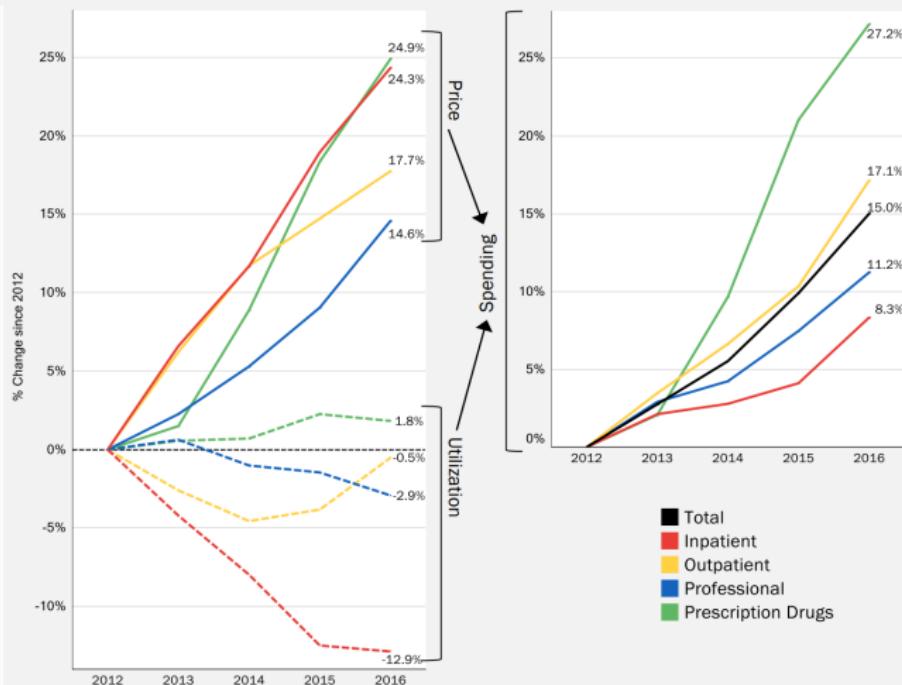
- Average Price Paid for a 28-day Supply of Humira, 2015



Source: International Federation of Health Plans 2015 Comparative Report

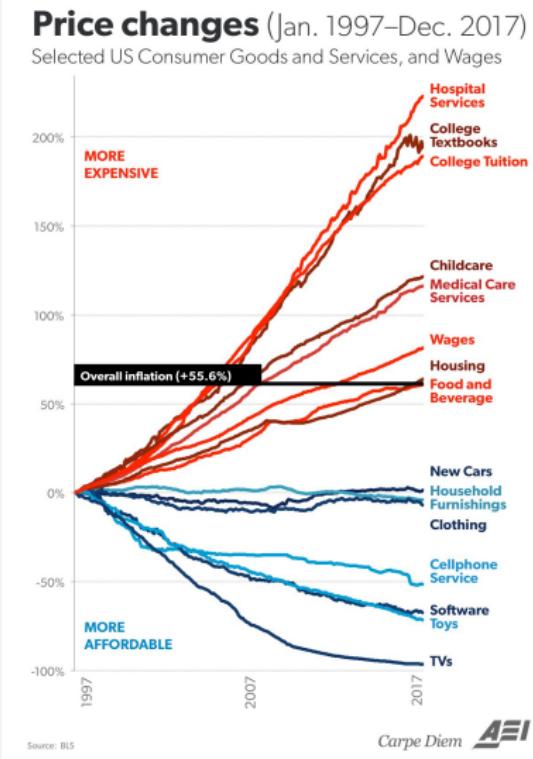
## Spending & Price Growth

- Cumulative Change in Price, Utilization, and Spending, 2012-2016



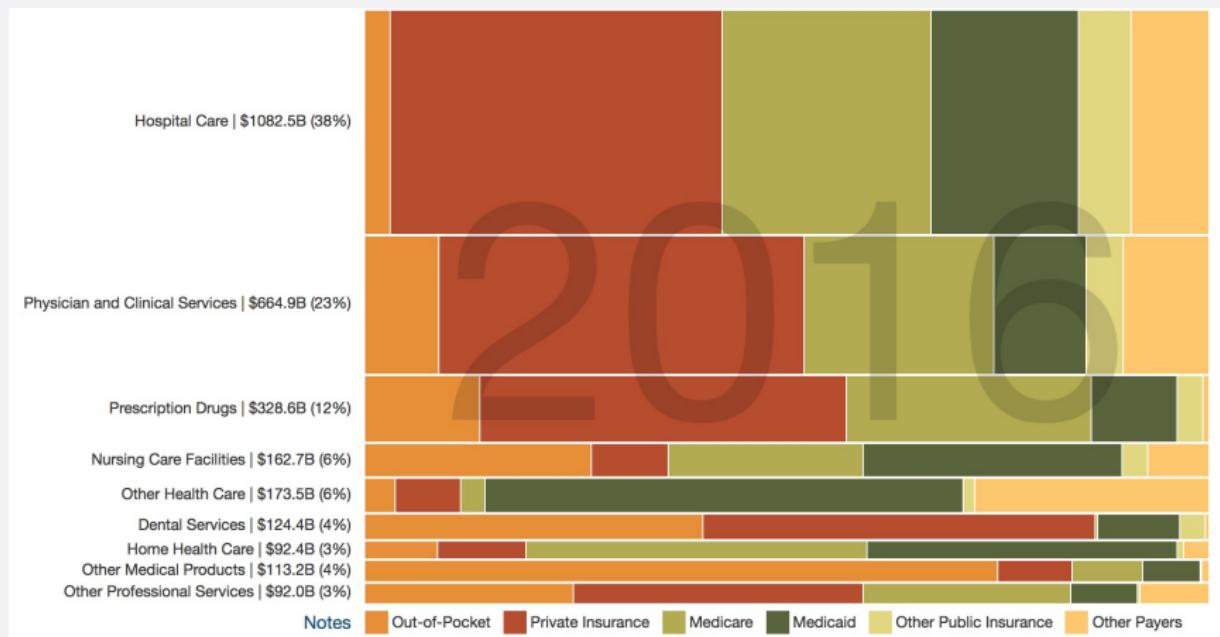
Source: Health Care Cost Institute 2016 Health Care Cost and Utilization Report

# Price Growth



# Who Pays and Where Does the Money Go?

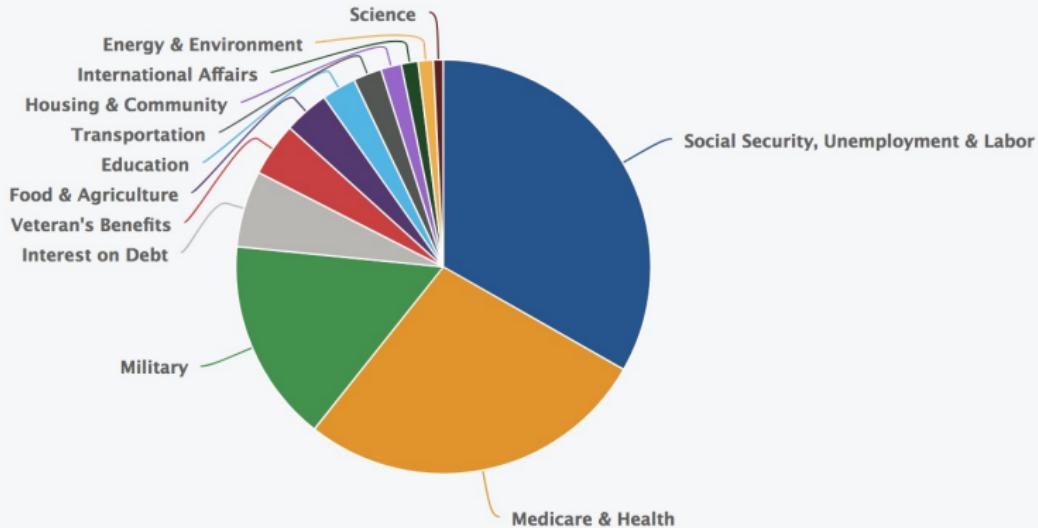
- Health Spending by Category and Source of Funds, 2016



Source: *Health Care Costs 101*

# Health Spending and the U.S. Budget

Total Federal Spending 2015: \$3.8 Trillion



Source: White House Office of Management and Budget

## Health Spending - Health Care Inputs

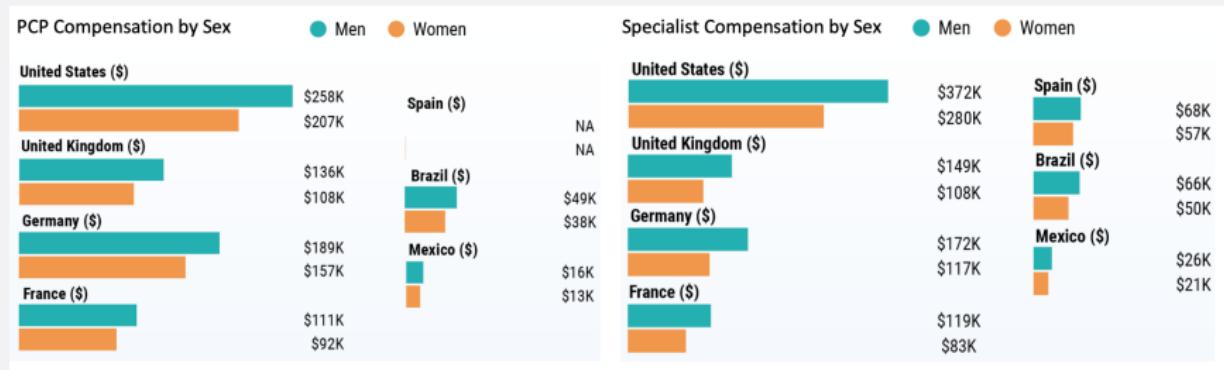
- Average Physician Compensation (PPP-adjusted), 2019

Overall	
United States (\$)	\$313K
United Kingdom (\$)	\$138K
Germany (\$)	\$163K
France (\$)	\$108K
Spain (\$)	\$63K
Brazil (\$)	\$58K
Mexico (\$)	\$22K

Source: International Physician Compensation Report, 2019

# Health Spending - Health Care Inputs

- Average Physician Compensation (PPP-adjusted), 2019



Source: International Physician Compensation Report, 2019